

SECURITY INFORMATION

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COUNTRY East Germany

SUBJECT Walter Ulbricht's Visit to the Buna Werke,
 Schkopau

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1. On 24 April 1952, Filimonov (fmu), the Russian Director General of the Bunawerke, Schkopau, was recalled from his post. He left the plant on that date without an official farewell.
2. On 26 April 1952, 120 of the leading members of the management and workers of the Bunawerke assembled for a conference with Deputy Minister President, Walter Ulbricht. The invitation to the conference had come from the Minister for Economics and Labor in Land Saxony-Anhalt, Kurt Gitz, and passes were checked by a large contingent of the SSD. The conference took the form of questions and answers with Director Nelles and Ulbricht attempting to soothe the indignation of most of those present over working conditions. The following points arose during the meeting.
3. Director Nelles
The most important factor of production is, and will remain, the production of electric power. Between 83% and 85% of all electric power used by the Bunawerke was used in the manufacture of carbide. The total production of between 260,000,000 and 270,000,000 watts will be needed to achieve the planned production for 1952.
4. Deputy Minister President Ulbricht
As an addendum to the Five-Year-Plan, a special plan to increase power production has been worked out. Unfortunately the Bunawerke will not reap the benefit of this within the coming months, but in the coming years it is hoped that this bottleneck will be removed as a result of the new plan. Because of the difficulty of obtaining from Western countries the special machinery required, orders have not been placed in the USSR.
5. Engineer Bierhals
The Bunawerke obtained 45% of its electric power from the "chemical ring." The chief distributor for the "chemical ring" which includes Leuna, Bitterfeld and Piesteritz, as well as Buna, had told him (Bierhals) that the Buna allocation would be reduced effective January 1953. The grounds he gave for this were the increased demands for electric power by new industries.

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6. Ulbricht

In reply, Ulbricht stated that the distributor could not know the full details of the Five-Year-Plan and hence was in no position to make forecasts of power distribution for 1953.

7. Engineer Hoffmann

Hoffmann voiced his doubts that the required machinery could be manufactured in the USSR. Ulbricht in reply stated that it was intended to produce the more important machines in the DDR and supplement home production by importing a few machines from other Communist countries.

8. Chief Engineer Dr. Schumacher

Dr. Schumacher stated that the investment plan for the first quarter of 1952 had been completed only because reserves of raw materials left over from 1951. He stated that because the Ministry had not confirmed the investment plan early enough and had not given the Bunawerke the necessary priorities in the allocation of raw materials, it would be extremely difficult to fulfill the plan for the second and succeeding quarters of 1952. As an example of the difficulties in obtaining raw materials Schumacher quoted the case of Nagma which, although asked to deliver 3,000 tons of metal plate to Buna during the ~~first~~ quarter of 1952, was only allowed by the Ministry to deliver 140 tons. Schumacher then went on to say that the continual danger of explosions necessitate the construction of an acetylene gasometer, but that shortages of raw materials made this almost impossible. The extension to the phthalic acid plant, which is being constantly demanded, was impossible because Bunawerke did not have a priority for raw materials. Schumacher concluded by saying that only if the turbine ordered [redacted] were delivered, would it be possible to open another carbide oven and thereby increase the production of synthetic rubber.

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9. At this point, Dr. Nelles said that [redacted] were willing to deliver only if the DDR would pay in advance in hard currency or in synthetic rubber and Igelit. Ulbricht replied saying that there was to be no payment in advance. Payment was to be made only after the delivery of the goods. He stated that the Americans had robbed the DDR of \$900,000,000 by this method. The DDR had paid at then the Americans had put the goods which had been ordered on the Export Control List. Not only that, but once the General Agreement had been signed in Bonn, it would be useless to consider the possibility of the delivery of the turbine.

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